



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

FOR IMMEDIATE RELEASE
December 9, 2002

CONTACT: Mike Roth
916.653.5126

ANGELIDES ISSUES CALL TO ACTION ON CORPORATE REFORM *Citing lack of federal commitment, California Treasurer releases blueprint for investor action*

SACRAMENTO, CA – California State Treasurer Phil Angelides today released a report – *The Power of the Purse: How Investors Can Restore Integrity to Our Financial Markets* – to institutional investors across the nation, calling on them to aggressively use their clout to step up the pressure for corporate reform. Angelides began meeting today with key investment and financial leaders in California and throughout the country to enlist their support of the actions outlined in the report – the first state investment official to undertake such an effort.

The report's release comes at a time when there are increasing questions about the commitment of the federal Administration and new Congressional leadership to fully pursue an agenda of corporate reform.

"We are at a watershed moment. In the wake of the greatest wave of corporate scandals since the crash of 1929, there are dangerous signs that the federal resolve to pursue reform is already weakening. It is critical that investors step up, as never before, to use their market strength – the power of the purse – to keep up the drumbeat of reform. To protect families, pensioners, and taxpayers, the era of shareholder complacency must come to an end."

The Power of the Purse outlines six principles to guide investor activism: Demand Ethical Conduct; Act Like Owners; Reward Value, Not Greed; Pursue New Investment Strategies; Send a Message – Company Conduct Counts; and Reward the Creation of Long-Term Value. The report also sets out specific examples of how investors can use their collective power – not as regulators but as market participants – to restore integrity and accountability to the financial marketplace.

"Cleaning up in the aftermath of the corporate scandals that have rocked our economy will not be accomplished easily. In the absence of a strong federal regulatory presence, it falls to investors to carry the torch of reform. There has been too much investor complacency in the face of colossal losses resulting from fraud and corruption at companies like Enron and WorldCom. It is time that investors start acting like the owners they are to protect our economy and the savings of American families and pensioners."

As Treasurer of the State of California, Angelides serves as a trustee of the \$136 billion California Public Employees' Retirement System and the \$91 billion California State Teachers' Retirement System. He also oversees the State's \$50 billion investment pool.

Attached is a partial list of Treasurer Angelides' planned activities to enlist support for the actions called for in *The Power of Purse*.

To obtain a copy of the report, please visit our website at www.treasurer.ca.gov or call Mike Roth at (916) 653-5126.

Page 1 of 2

California State Treasurer Phil Angelides

The Power of the Purse: How Investors Can Restore Integrity to Our Financial Markets

Treasurer Angelides' Planned Activities

(Partial list, as of December 9, 2002)

December 2002

- Address to the California Chamber of Commerce Board of Directors (San Francisco, CA)
- Roundtable hosted by Senator Paul Sarbanes, Chairman, Senate Banking, Housing and Urban Affairs Committee (Washington, D.C.)
- Roundtable hosted by New York State Attorney General Eliot Spitzer (New York, NY)
- Mutual Fund Managers Roundtable (New York, NY)
- Address to the AFL-CIO Pension Trustee Conference (San Diego, CA)
- Address to the Stanford Law School Institutional Investors Forum (Palo Alto, CA)
- Roundtable hosted by the Pacific Exchange (San Francisco, CA)

2003

- Roundtable hosted by The Corporate Library (Washington, DC)
- Forum hosted by Jeffrey Garten, Dean, Yale School of Management, International Institute for Corporate Governance (New Haven, CT)
- Address to the Stanford Law School's Ninth Annual Directors College (Palo Alto, CA)
- Present the Raven Lecture, Opening Address at the "*Corporation in Social Context: An Agenda for the Future*" Conference at Boalt Hall, UC Berkeley School of Law (Berkeley, CA)
- Address to the National Conference on Public Employee Retirement Systems (Denver, CO)